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ECONOMIC GROWTH

(Economic Reform, Private Sector Development, Trade and Agriculture)

BPO boom fever spreads to Davao

DAVAO CITY — Fierce competition in the business process outsourcing industry is speeding up the expansion throughout Mindanao of BPO firms looking to lower operating costs and access new sources of trained personnel to fill market demand.

Davao and Cagayan de Oro are becoming known as BPO hubs offering a wide range of services, but there is still room for regional expansion. Current estimates of the total number of call centers in the Philippines range from 90 to more than 120. Fewer than 10 of these

are in Mindanao, which has a quarter of the national population.

The global BPO industry will generate an estimated \$310 billion by 2010, according to the Oxford Business Group. The Philippines is projected to take 10 percent of the world market, and Mindanao stands to benefit from the countrywide expansion.

Most large-scale firms now investing in Mindanao are in Davao and Cagayan de Oro. “There are 3,000 existing seats in five call centers in Davao alone, with 3,000 more in the pipeline,” said Andre Fournier of the Davao

City Chamber of Commerce and Industry.

Link2Support Inc. already employs several hundred call center agents in Davao and Cagayan de Oro. Western Wats, a U.S.-based firm, is investing P60 million in its Davao operations, according to recent news reports.

Joji Ilagan Bian, president of the Philippine Call Center Alliance, points out that Mindanao is also attracting firms planning small-scale centers with 250 seats or less. “They’re considering other urban centers, like General Santos, Zamboanga, Iligan and Cotabato,” Bian said.

General Santos, a bustling agro-industry hub, is said to be planning a city-wide wireless network using WiMAX technology, which should make it more attractive to BPO investors. The city already has a fiber optic network in place.

The three-hectare Mabuhay IT Park, established in “Gen San” by private developer Mabuhay Technopark Corp., is designed as a one-stop facility for voice, video and data services, with secured network communications and back-up power supply.

(Source: The Daily Tribune, 5/01/08, page 9)